

## MY SAY: AIG and hara-kiri

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On an international flight recently, I watched a movie by Bernard Emond entitled *Contre toute Esperance*. It revolved around switchboard operator Réjeanne Poulin who loses her job when the company decides to sell its interest to another US company called WorldMart.

In the transaction, employees like Réjeanne have to opt for several low-paying jobs to make ends meet while their boss collects millions in compensation.

Indeed, Réjeanne has to sell the house she had been saving for just to survive. As the story goes, Réjeanne has an encounter with her former boss while working as a waitress at a dinner party. She overhears him proudly announcing that he does not subscribe to equitable payment as it drives out supply and demand. He says he feels "offended" if certain groups of workers are protected. The movie ends with Réjeanne's husband, Giles, taking his own life after falling ill and she being suspected of murdering him.

The film, though quite slow moving, was interesting to watch because of its similarity to the present economic meltdown, the fragility and uncertainty. The message resonates with what we often hear and read in the media but the film helps us to empathise with the people who actually go through such a crisis.

Indeed, Réjeanne could be any one of us, looking at the way things are panning out as millions have been and will be deprived of jobs as companies cannot cope with the unfolding difficulties. Yet the bosses are scooping up unimaginable sums of money in terms of rewards and bonuses that they had lined up for themselves contractually with shameless greed.

Take American International Group (AIG). It reportedly revealed that US\$57 million of its "retention" payments had been earmarked for the staff it planned to lay off while another 73 employees had received over US\$1 million in bonuses (*The Economist*, March 21). The magazine further exposed that US\$49.5 billion of payments were made by AIG to "counterparts in its disastrous foray into credit default swaps" as a bailout, making what was called a "charity case".



No wonder this irked so many people, ranging from the ordinary taxpayer to US President Barack Obama. The situation was so repugnant that even members of the Republican Party were displeased, allegedly advising those involved to perform hara-kiri.

The Democratic leadership, on the other hand, wanted the bonuses to be taken back and was prepared to consider a special tax of close to 100%, if all else failed.

Unfortunately, today, there are AIG scenarios everywhere — not just in the financial sector — which have yet to come under close scrutiny. These are the arrogant, insular, gullible and greedy people who are causing unwarranted distress and disruptions everywhere. And as we listened to speech after speech at the nation's largest political party assembly recently, we realised that this attitude had taken root in some political circles, resulting in the mess that we are in today.

In fact, the damage is done because the people have little, if any, trust, respect and confidence left in the politicians whom they looked up to to make important changes for future generations.

Unlike in the financial sector, where things can be bought and sold to restore confidence, including printing more of the national currency, it will take much longer to cultivate and regain the people's trust, respect and confidence. Values like trust and respect have been mistaken as things that can be bought and sold at will to the highest bidder. Perhaps, the turbulence in Malaysian politics is due to the hollowing out of these values.

Thus, it stands to reason that it was suggested that the leadership of the nation's largest political party be elected by every member, but this is still not fool-proof. If national elections in a lot of countries can be rigged, it is not difficult to imagine other kinds of elections suffering the same fate.

In other words, there should be prerequisites to adhere to before all goes well. Otherwise, the AIG scenario will ensure that money, power and ego continue to be used in the most refined and subtle manner to gain more of the same. And the cycle will continue.

It is this cycle that must be broken so that it does not feed the AIG syndrome. Failing this, there will be an unprecedented collapse and then, as Réjeanne says in the movie, "God, help us!" It will be virtual hara-kiri for all of us.

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